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DIRECTORATE GENERAL I B
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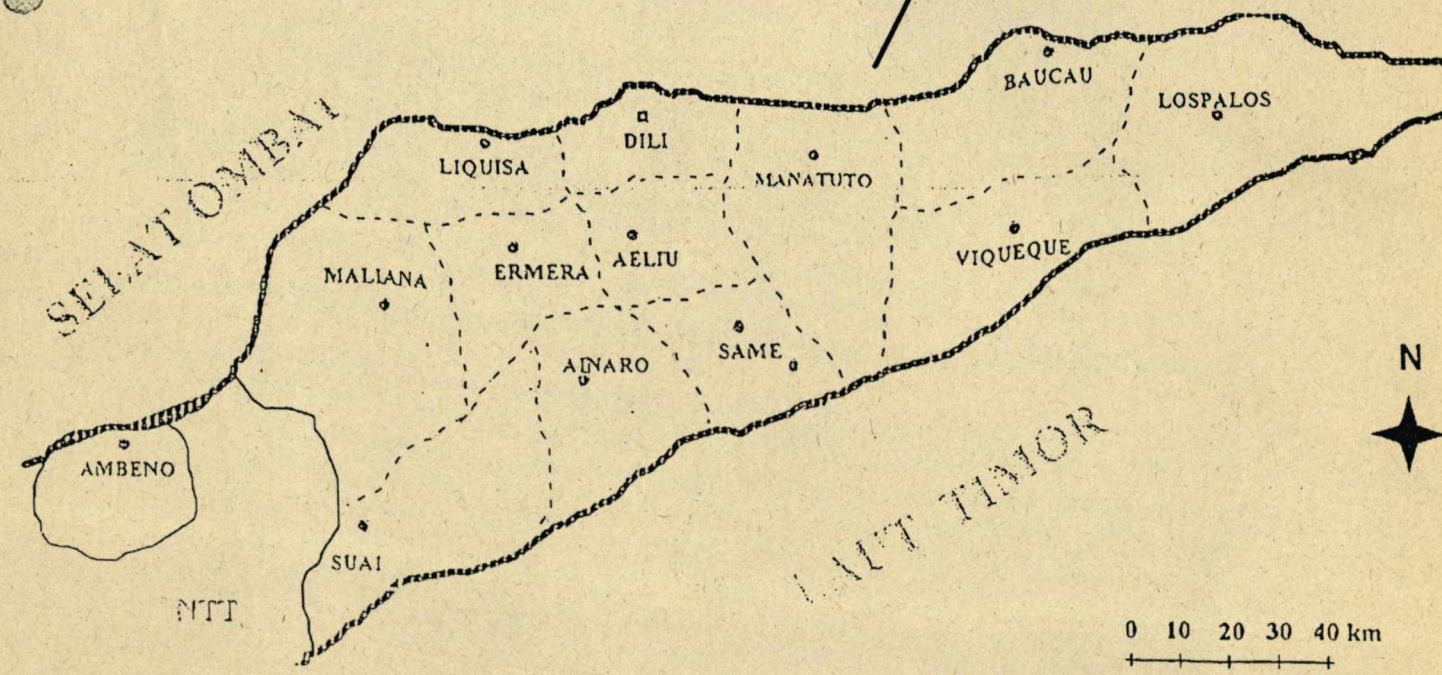
South-East Asia. DGIB/C/3

TL

Brussels, 29 January, 1997

EAST TIMOR
Status Report



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The object of this note is to give a brief description of the socio-economic situation in East Timor, with some details on the economy, health, education sectors, etc.
Information has been taken from the EC Representation in Jakarta (***ECR-JKT)***, apparently taken from publications of the ET Planning and Statistical Offices and the UN; and as gathered by the Desk (undersigned), particularly from the World Bank Country Report on Indonesia for 1996 (***WBR***) and from other sources in EU, particularly the International Committee of the Red Cross (ICRC) and various agencies of Caritas.

Area: 14,609 Km² (a little less than half the size of Belgium). ET has 0.8% of the landmass and 0.5% of the population of Indonesia.
It is located some 2,000 Km from Jakarta; less than 500Km from Australia.
Administrative divisions are: the capital, Dili, 13 districts, 62 sub-districts and 442 villages. Most of ET is hilly (< 3,000 m), with fringes of flat land along the coast.

Population: 857,000. Growing at 3-3.5%. Relatively sparse population density (Belgium, only double the size, = 10 million).
Such a rapid growth rate means that over 40% of the population is under 14 years of age.
90% population are Roman Catholics; immigrants are mostly Muslim.
There are **9 ethnic groups,** speaking **four local dialects**, of which the principal one is **tetun.** According to information from a Caritas group in EU, Bishop Belo introduced tetun as the language of church services some time ago, following pressure from GOI to reduce the use of Portuguese. **Bahasa**, the Indonesian official language is however now widely used as the best means of communication. **Portuguese** is used more by the older generations (over 30s).

The economy

Per capita income is estimated at around US$300 ,(RI overall:around $1,000). GDP growth, around 9.9%; RI overall: 7%. Agriculture: 43% of ET's GDP. ET agriculture developed well during the 1984-89 National Plan period: food crop production increasing by 210%. The 1994-99 Plan provides for improvements of agriculture, agribusiness, forest conservation and development of water resources.
So ET is growing faster than the Indonesian average. However, as the World Bank tables on per capita income and private consumption (annex 1-1) and the poverty table (annex 1-2) show, **ET is still the poorest region of Indonesia.**

WBR shows net **GOI fiscal transfers to ET** in 1990-1 of Rps 135.4 bn (US$69.4mil), the net impact per capita being Rps 158,800 (US$ 81.4)- the **highest per capita impact in**

Indonesia. So *GOI has been making relatively major budget transfers to the territory.*

Health

The number of **hospitals** remained constant at 10, 1989-94; but the number of district health centres rose slightly from 65 to 67, and the number of auxiliary village health centres rose sharply from 132 to 255.
The number of **doctors** rose from 95 to 154 over the same period- 1 doctor per 6,397 people in 1989 falling to 1:4,057 in 1994. *WBR* gives 15,110 people per health centre in 1992- one of the best ratios in Indonesia; but only 0.88 doctors per health centre- one of the lowest ratios in the country. The number of dentists rose by 282% and the number of nurses by 78%, 1989-94. Child immunisation has increased markedly.

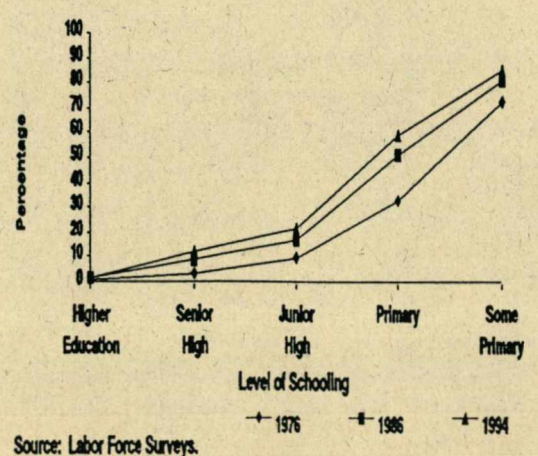
Information from a Caritas agency, however, is that the local population is wary of the official clinics, whose staff is largely Javanese- and that medicines sent from Java are often stolen and do not arrive in the clinics. According to this agency, the local populations therefore tend to use the **church clinics**- although they are rather poorly equipped in both staff and material.

Life expectancy has increased from 51.6 to **60.5** (males) and from 54.8 to **63.2** (females) 1985-93; compared to 60.6/64.3 for Maluku province, and 50.5/53.5 for West Nusa Tenggara- close regions of Indonesia. **Infant mortality**, at almost 90/1,000, remains amongst the highest in Indonesia- ET being apparently the only region which has seen no improvement 1980-1990. The local **fertility rate** is among the lowest in Indonesia, and appears not to have fallen; which may reflect a relative absence of economic opportunities, particularly for women. (annex 2)

Education

Indonesia has made massive efforts overall in this sector. This has had an effect on the educational level of Indonesian workers (*WBR* table below).

Figure 3.4 Rising Educational Levels of Indonesian Workers, 1976-94



Source: Labor Force Surveys.

Moreover, almost half school enrolments are girls, reflected in increasing educational levels and pay for women (*WBR* table below)

Table 3.14 Men are better educated and paid, but women are catching up.

Variables	*1986*		*1993*	
	Males	*Females*	*Males*	*Females*
Percent of Individuals having:				
No schooling	6.1	18.2	3.9	8.8
Incomplete Primary	17.8	22.3	11.9	14.1
Complete Primary	29.8	22.2	28.5	25.8
General Junior High	11.6	5.6	13.5	8.9
Vocational Junior High	2.8	1.3	2.1	0.9
General Senior High	12.2	7.7	17.3	14.2
Vocational Senior High	13.7	18.1	14.2	19.1
Diploma 1,2	1.0	1.3	1.3	1.9
Diploma 3	2.6	2.2	2.9	2.8
University	2.4	1.1	4.6	3.6
Average Hourly Wage Rate (Rp)	741	400	996	711
Average Age (Years)	33.8	31.0	34.6	30.8

Source: Behrman and Deolalikar (1995) for 1986 and staff estimates for 1993.

East Timor

According to *ECR-JKT*, a six-year programme of universal basic education was established in **ET** for the 7-12 age group in May 1984, extended to 9 years, to include the 13-15 age group, in 1994.

Schools and school enrolment figures have increased markedly: 574 **primary schools** with 100,448 students in 1989/90, increasing to 709 primary schools and 132,856 students in 1995/96- representing 91% of the population in the 7-12 age group.

However, **secondary education** is still very restricted, with 114 lower secondary schools and 38 senior secondary schools, with enrolments of 25,504 and 11,418 students respectively. At tertiary level, there are 4 institutions of higher learning in ET, including the East Timor University at the capital, Dili, which was opened in 1986 and has three faculties. Total enrolments at all tertiary institutions are around 3,000 students.

The **illiteracy rate** in ET is however well over 50%- the highest in Indonesia; and the primary school graduation level is also the lowest (*WBR* tables- annex 3).

Information from a Caritas agency indicates that around one third of the staff of the university and half of the students are from ET. The acting rector is Timorese (PhD, New Zealand);

when he made some criticisms of actions by the security forces in ET- the reason for his dismissal. The students very much want the acting rector to be officially confirmed as rector- but there is some opposition from the security forces, and current difficulties as regards finance for the university.
Scholarships are financed by GOI- but some political orientation is perceived in the selection process. So Bishop Belo apparently wants to use a substantial part of his Nobel Peace Prize to support an independent scholarship fund.

Overall Position

The situation in East Timor appears to remain tense, although there appears to be less evidence now of intimidation of the population by the armed forces.
However, there is a feeling of hopelessness, both as regards the general lack of independence, and as regards employment opportunities, particularly amongst the young- who form a sizeable percentage of the population (see above).
Opportunities for employment seem very limited.
(This is however also the case in Indonesia in general- at least outside Jakarta and industrial areas. The *WBR* indicates that in Indonesia as a whole in 1994, 12.9% of the economically active population in the 15-19 age group and 14.1% of the 20-24 age group, were unemployed. Moreover, 16.9% of general Senior High School graduates, and 14.8% of university graduates were unemployed, also in 1994).

Conclusions

While the economy is growing fast, and GOI has made major budget transfers to ET; as well as making considerable inputs into the health and education sectors; the territory remains the poorest in Indonesia and prospects for advancement, particularly for Timorese youth, seem very limited.
There is therefore an overall feeling of alienation and dissatisfaction.
Finally, it must be said that, whatever the political situation, a territory which is as isolated, thinly populated and poor as East Timor cannot hope for very rapid evolution to developed status and full employment. However, with humanitarian assistance, the best efforts can be made to alleviate poverty and help the local population.

Annex 1-1

Figure 4.1 Levels of per capita GDP are similar except for Jakarta, the Oil Producing Provinces, Nusa Tenggara and East Timor.

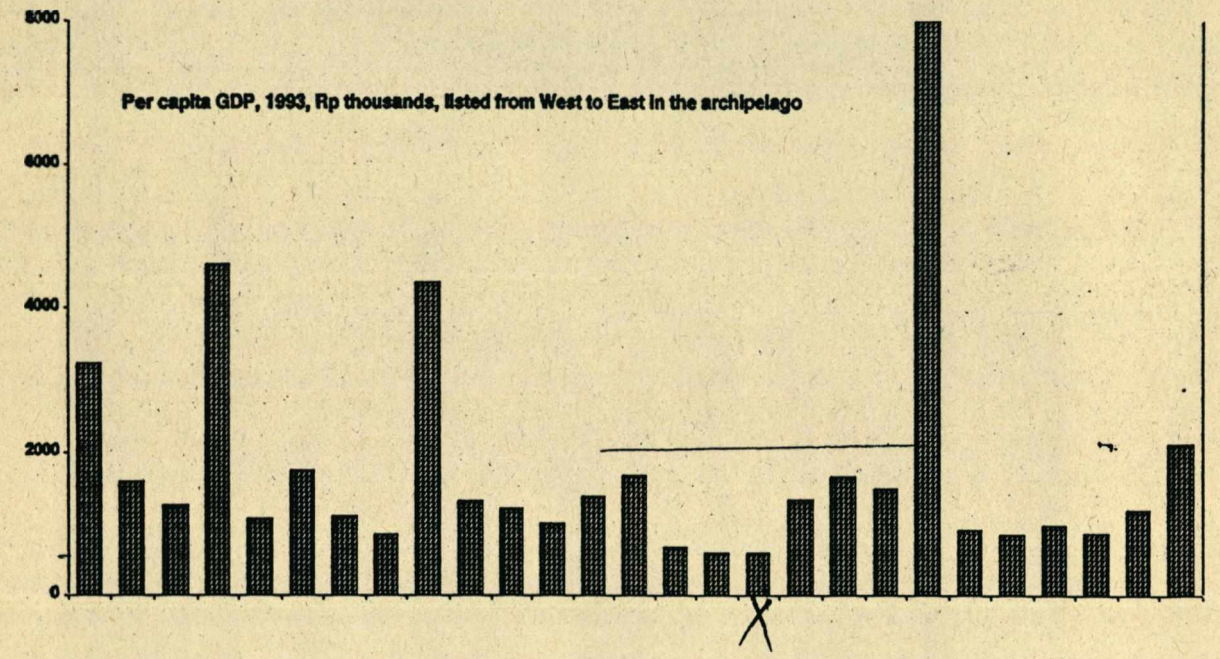
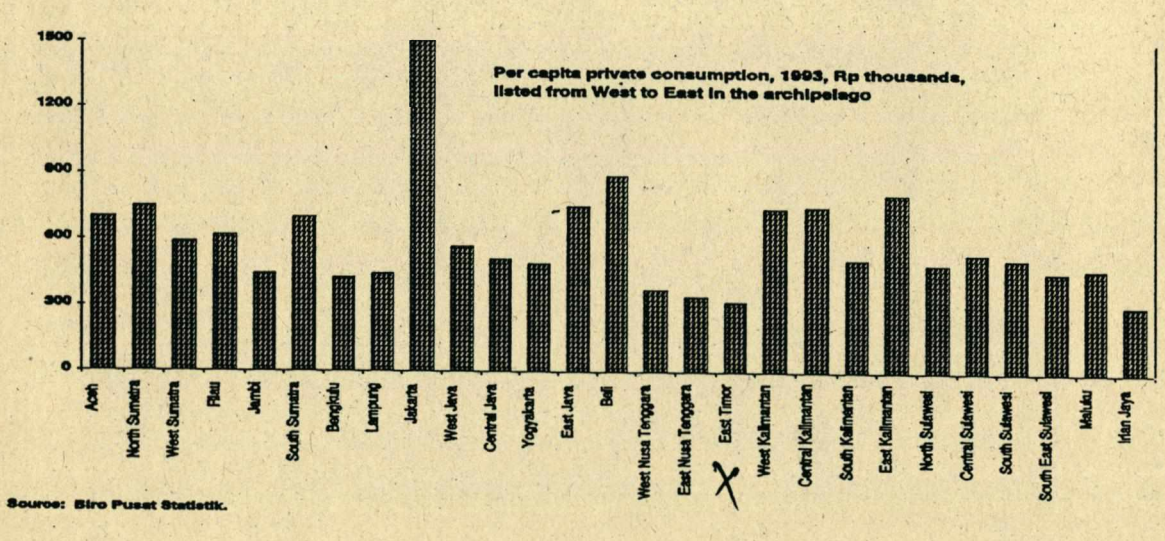


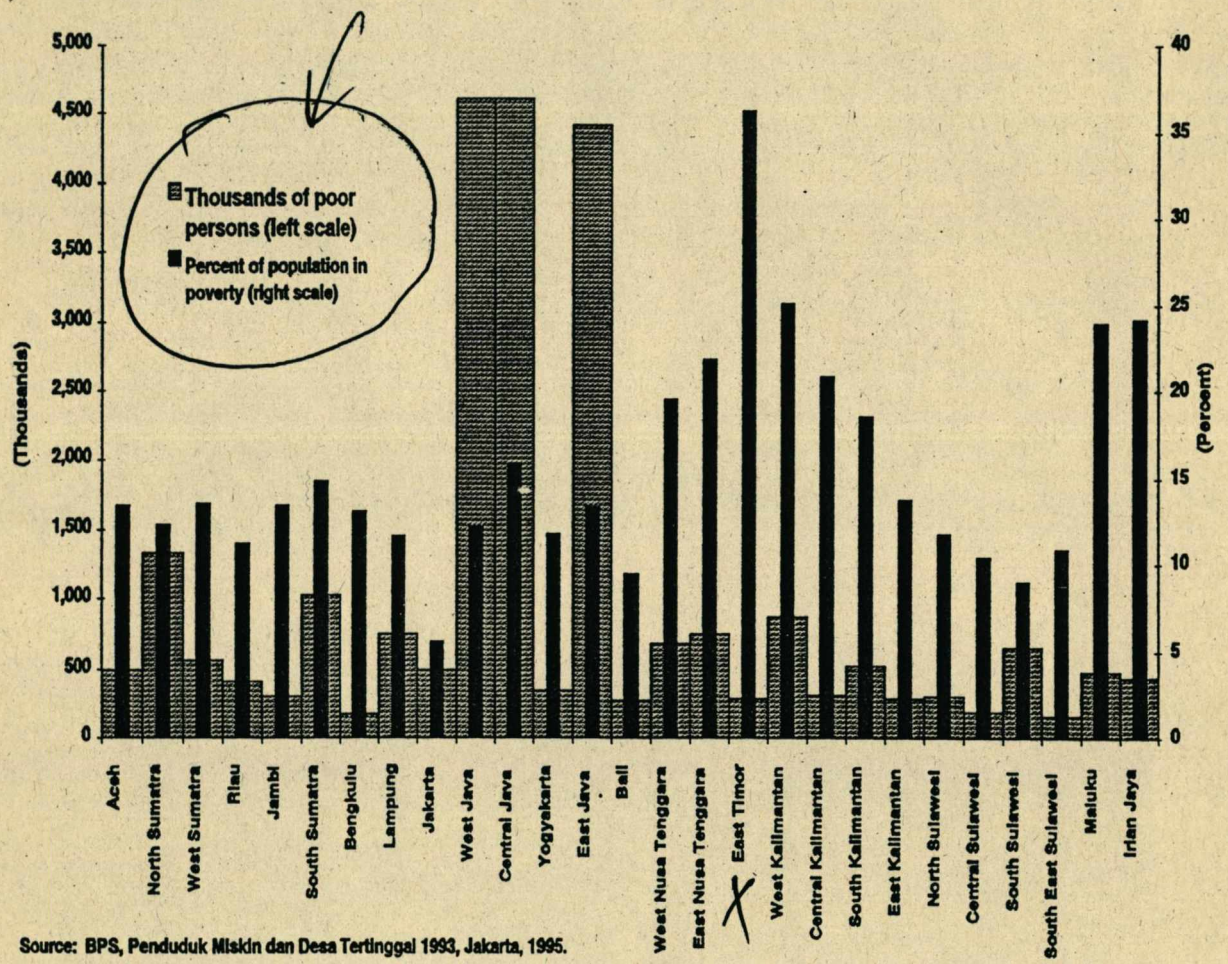
Figure 4.2 Per capita private consumption levels also are similar.



Source: Biro Pusat Statistik.

Annex 1-2

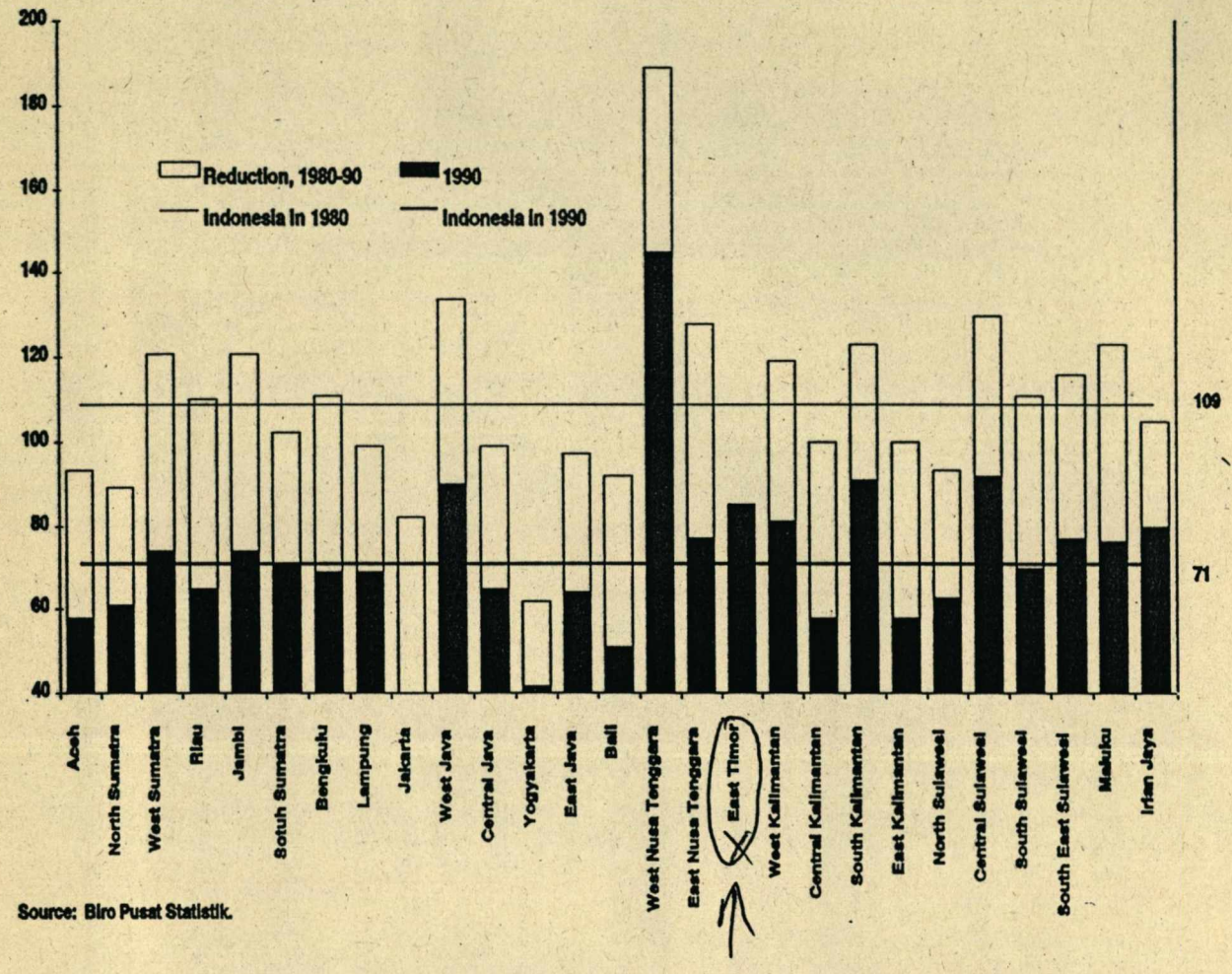
Figure 4.7 Where the poor are is not the same as where poverty rates are high.
(Population below the regional poverty line, 1993)



Source: BPS, Penduduk Miskin dan Desa Tertinggal 1993, Jakarta, 1995.

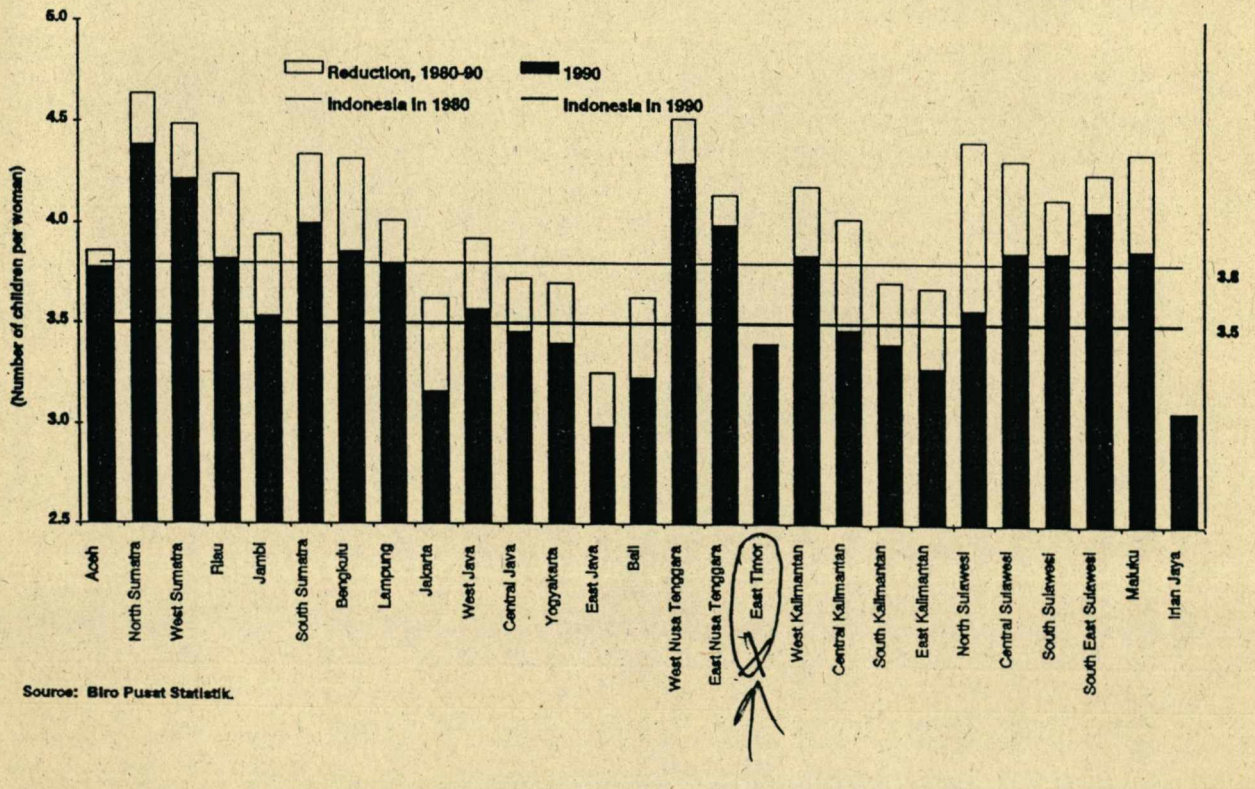
Annex 2

Figure 4.8 Despite improvements, infant mortality remains high.
(Infant mortality rate per 1000 live births)



Source: Biro Pusat Statistik.

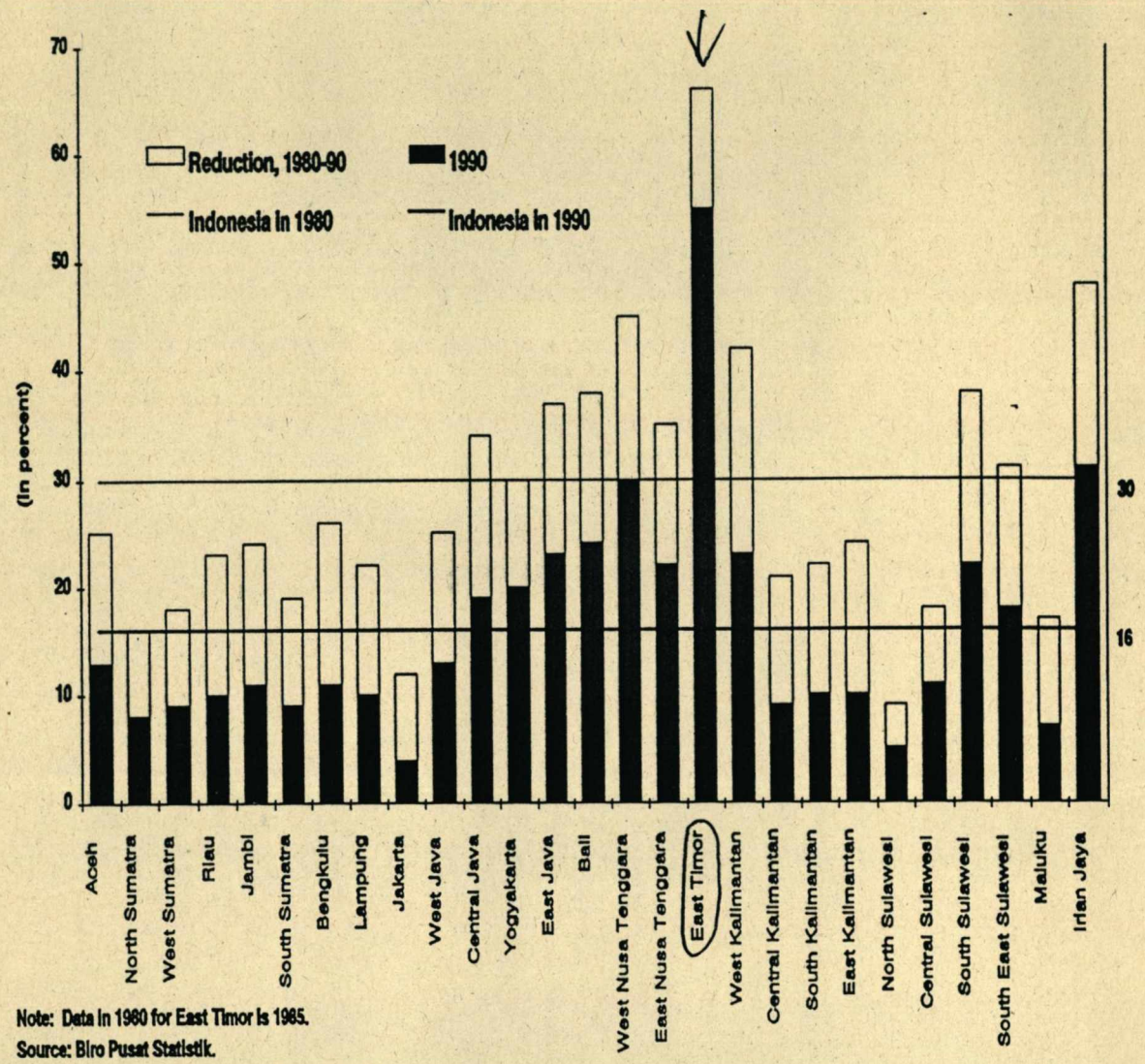
Figure 4.9 Women have fewer children in 1990 than in 1980.



Source: Biro Pusat Statistik.

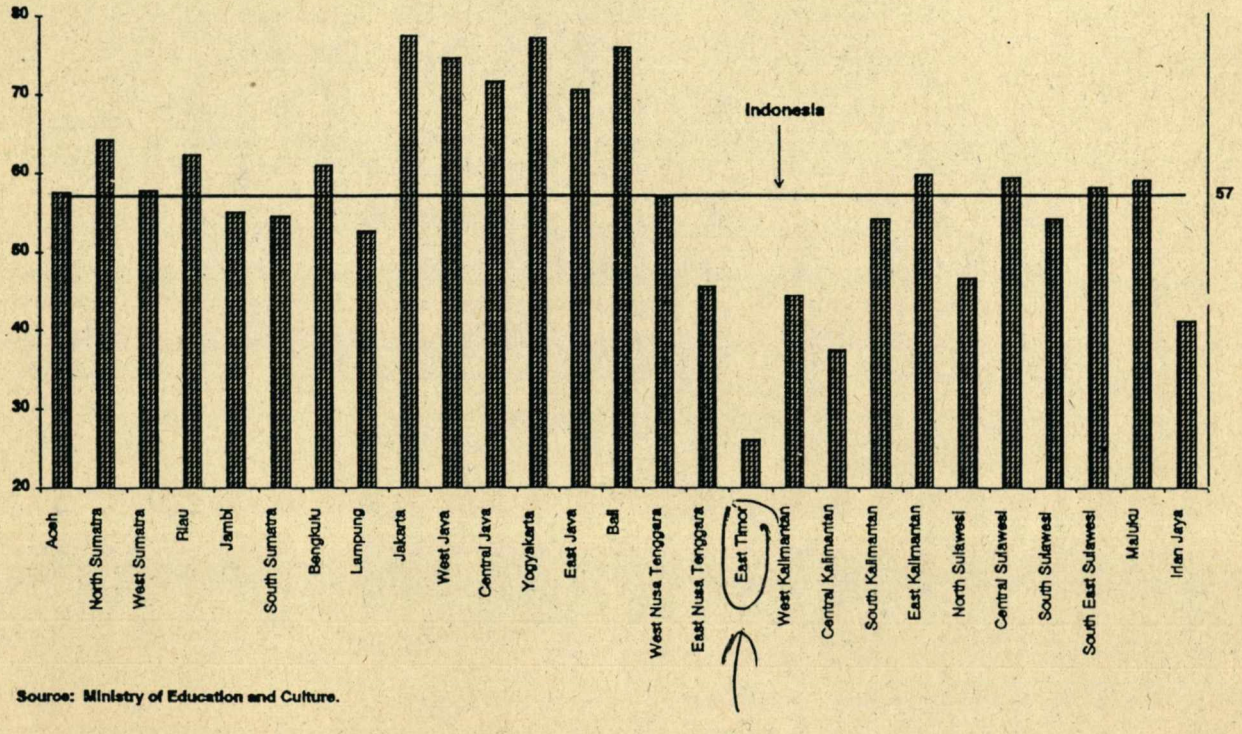
Annex 3

Figure 4.10 Illiteracy declined everywhere.



Note: Data in 1980 for East Timor is 1985.
Source: Biro Pusat Statistik.

Figure 4.11 Primary school graduation remains low in the eastern provinces.
(Graduation in 1992 as a percent of entrants in 1986).



Source: Ministry of Education and Culture.